

3/22/19

2:37 P.m.

Chapter No. 384

19/SS36/R1060

LR / TB/LR

## ***SENATE BILL NO. 2737***

Originated in Senate

Liz Welch

Secretary

SENATE BILL NO. 2737

AN ACT TO AMEND SECTION 75-60-3, MISSISSIPPI CODE OF 1972, TO REVISE THE DEFINITIONS FOR THE TERMS "CORRESPONDENCE EDUCATION," "DISTANCE EDUCATION" AND "OCCUPATIONAL DEGREE" FOR PURPOSES OF THE MISSISSIPPI PROPRIETARY SCHOOL AND COLLEGE REGISTRATION LAW; TO AMEND SECTION 75-60-17, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE SURETY BOND OBTAINED BY A PROPRIETARY SCHOOL MUST INDEMNIFY THE COMMISSION ON PROPRIETARY SCHOOL AND COLLEGE REGISTRATION FOR ADMINISTRATIVE COSTS INCURRED BY THE COMMISSION WHEN AN INSTITUTION CLOSES; TO AMEND SECTION 75-60-23, MISSISSIPPI CODE OF 1972, TO CLARIFY THAT AN AGENT MUST OBTAIN A PERMIT FOR EACH INSTITUTION OR CAMPUS REPRESENTED; TO AMEND SECTION 75-60-25, MISSISSIPPI CODE OF 1972, TO REMOVE PROVISIONS WHICH REFER TO AN AGENT PERMIT AS A "POCKET CARD"; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

**SECTION 1.** Section 75-60-3, Mississippi Code of 1972, is amended as follows:

75-60-3. As used in this chapter:

(a) "Course of instruction" means the offering of instruction to individuals for a charge, fee or contribution of any kind, to a person or persons for the purpose of training or preparing such person(s) for a field of endeavor in a business, trade, technical or industrial occupation.

(b) "Program of study" means a series of individual courses in an area of specialization for which a diploma, degree, certificate or other written evidence of proficiency or achievement is offered.

(c) "Agent" means any person employed by an institution licensed by the commission, regardless of job title, job description, full-time or part-time employment status, who either directly or indirectly influences the decision of any prospective student to enroll for a fee in a course of instruction.

(d) "Person" means an individual, corporation, partnership, association or any other type of organization.

(e) "Board" means the Mississippi Community College Board established in Section 37-4-3 et seq., Mississippi Code of 1972.

(f) "Commission" means the Commission on Proprietary School and College Registration established under this chapter.

(g) "Correspondence education" means a formal educational process under which the institution provides instructional materials, by mail or electronic transmission, including examinations on the materials, to students who are separated from the instructor. Interaction between the instructor and the student is limited, is not regular and substantive, and is primarily initiated by the student \* \* \*. Correspondence courses are typically self-paced. Correspondence education shall not be

construed to mean or refer to "distance education" as defined in paragraph (h) of this section.

(h) "Distance education" means a formal educational process in which the majority of the instruction \* \* \* in a course occurs when students and instructors are not in the same place. Instruction may be synchronous or asynchronous. Distance education uses the technologies set forth in this paragraph to deliver instructions to students and to support regular, substantive interaction between students and instructors. A distance education course instructor may use any of the following technologies: the Internet; one-way and two-way transmissions through open broadcast, closed-circuit, cable, microwave, broadband lines, fiber optics, satellite or wireless communications devices; audio conferencing; or video cassettes, DVDs and CD-ROMs if used as part of the distance learning course or program.

(i) "General education course" means a unit of learning that is nontechnical in nature and is a fundamental part of a program. The content is drawn from oral and written communications, social studies, mathematics, natural sciences and the humanities.

(j) "Nontechnical course" means a unit of learning that is nontechnical in nature and includes general education courses, basic/college life skills and other related courses.

(k) "Occupational degree" means a credential awarded by a school upon successful completion of an associate degree program and designated as "applied" or "occupational" in the credential title. This program shall contain a minimum of sixty percent (60%) technical course credits/clock hours.

(l) "Institution" means a proprietary school, career college, school person or other organization that offers programs that require registration in accordance with Section 75-60-5.

(m) "Technical course" means a unit of learning that yields skills, knowledge and understanding essential to the specific occupation for which the program is designed.

**SECTION 2.** Section 75-60-17, Mississippi Code of 1972, is amended as follows:

75-60-17. The application for a certificate of registration shall be accompanied by a surety bond with conditions and in a form prescribed by the Commission on Proprietary School and College Registration with at least one (1) corporate bonding company approved by the Department of Insurance as surety thereon. The bond shall provide for the indemnification of any person suffering loss as the result of any false certification, school closure, any fraud or misrepresentation used in behalf of the principal in procuring such person's enrollment in a course of instruction, including repayment of tuition paid in advance by any student. The bond shall provide for the reimbursement of the commission of any actual administrative costs associated with an

institution ceasing operations. The term of the bond shall be continuous, but it shall be subject to cancellation by the surety in the manner described in this section. The bond shall provide blanket coverage for the acts of all persons engaged as agents of the school without naming them and without regard to the time they are engaged during the term of the bond.

First priority for the use of surety bonds shall be given to students impacted by the closing of the proprietary school.

The surety may terminate the bond upon giving a sixty-day written notice to the principal and to the Commission on Proprietary School and College Registration, but the liability of the surety for acts of the principal and its agents shall continue during the sixty (60) days of cancellation notice. The notice does not absolve the surety from liability which accrues before the cancellation becomes final but which is discovered after that date and which may have arisen at any time during the term of the bond. Unless the bond is replaced by that of another surety before the expiration of the sixty (60) days' notice of cancellation, the certificate of registration shall be suspended. Any person subject to this chapter required to file a bond with an application for a certificate of registration may file, in lieu thereof, cash, a certificate of deposit, or government bonds of the same dollar value as the prescribed bond. Said deposit is subject to the same terms and conditions as are provided for in

the surety bond required herein. Any interest or earnings on such deposits are payable to the depositor.

**SECTION 3.** Section 75-60-23, Mississippi Code of 1972, is amended as follows:

75-60-23. No person employed by an institution licensed by the commission, regardless of job title, job description, full-time or part-time employment status, shall directly or indirectly influence the decision of any prospective student to enroll for a fee in a course of instruction without first securing a permit as an agent from the Commission on Proprietary School and College Registration. If the person represents more than one (1) institution or campus, a separate permit shall be obtained for each institution or campus represented. Agent permits shall only be issued to agents of institutions that hold a certificate of registration issued by the commission.

**SECTION 4.** Section 75-60-25, Mississippi Code of 1972, is amended as follows:

75-60-25. The application for an agent permit shall be made on forms to be furnished by the Commission on Proprietary School and College Registration. Any agent permit applied for shall be granted or denied within sixty (60) days of the receipt of the application therefor by the commission. If the commission has not completed its determination with respect to the issuance of an agent permit within such sixty-day period, it shall issue a temporary agent permit to the applicant, which permit is

sufficient to meet the requirements of Section 75-60-23 until such time as such determination is made. Upon approval for an agent permit, the commission shall issue a \* \* \* permit to the person, giving his or her name, agent permit number and the name and campus location of his or her employing school, and certifying that the person whose name appears on the \* \* \* permit is an authorized agent of the school. An agent permit is valid for one (1) year from the date on which it was issued.

**SECTION 5.** This act shall take effect and be in force from and after July 1, 2019.

PASSED BY THE SENATE  
February 12, 2019

  
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PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES  
March 12, 2019

  
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SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR

  
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GOVERNOR

3/22/2019

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